



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 12, 2018

The Honorable Gwen Moore
U.S. House of Representatives
2252 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Moore:


Thank you for your letter concerning the management of the Universal Service Fund. I am fully committed to bridging the digital divide, and the Fund is an essential component of our strategy for accomplishing that goal. From our decision earlier this year to invest another \$500 million to aid small carriers deploying broadband in their communities to our decision last week to increase funding available in Tribal areas to our upcoming \$2 billion Connect America Fund Phase II auction, the Commission and the Fund have been making a real impact in rural America.

You write about the Commission's decision to move Fund monies from a private account to the U.S. Treasury. We are doing so for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program. Last year, the Government Accountability Office found that the agency's historical banking practices for the Fund resulted in unnecessary oversight and accountability risks—risks that needlessly endangered the integrity of the Fund. In that same report (GAO-17-538), the GAO pointed to its finding from 2005 that universal service funds are federal funds that legally belong in the U.S. Treasury, not a private bank, consistent with federal law's requirements (such as the Miscellaneous Receipts Act, 31 U.S.C. § 3302).

To be clear, the GAO's recommendation was in no way limited to the Lifeline program, and recent changes to that program (such as the National Verifier) do not in any way address the financial management risks identified by GAO regarding agency banking practices. And despite any suggestion to the contrary, moving the accounts to the U.S. Treasury will not allow Fund monies to be used for any purpose other than supporting the universal deployment of voice and broadband services.

I am pleased that we are making progress in effectuating the transfer to Treasury supported by GAO throughout the past decade and I look forward to completing this task in the near future. Please let me know if I can be of any further assistance.

Sincerely,



Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 12, 2018

The Honorable Keith Ellison
U.S. House of Representatives
2263 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Ellison:

Thank you for your letter concerning the management of the Universal Service Fund. I am fully committed to bridging the digital divide, and the Fund is an essential component of our strategy for accomplishing that goal. From our decision earlier this year to invest another \$500 million to aid small carriers deploying broadband in their communities to our decision last week to increase funding available in Tribal areas to our upcoming \$2 billion Connect America Fund Phase II auction, the Commission and the Fund have been making a real impact in rural America.

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Sincerely,

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 12, 2018

The Honorable Michelle Lujan Grisham
U.S. House of Representatives
214 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Lujan Grisham:

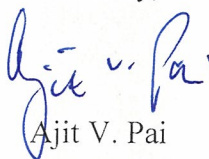
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Ajit V. Pai



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OFFICE OF
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April 12, 2018

The Honorable Steve Pearce
U.S. House of Representatives
2432 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pearce:

Thank you for your letter concerning the management of the Universal Service Fund. I am fully committed to bridging the digital divide, and the Fund is an essential component of our strategy for accomplishing that goal. From our decision earlier this year to invest another \$500 million to aid small carriers deploying broadband in their communities to our decision last week to increase funding available in Tribal areas to our upcoming \$2 billion Connect America Fund Phase II auction, the Commission and the Fund have been making a real impact in rural America.

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Ajit V. Pai